

# State of Utah Department of Commerce

Division of Occupational and Professional Licensing

GARY R. HERBERT Governor

FRANCINE A. GIANI Executive Director

MARK B. STEINAGEL Division Director

June 6, 2011

## IMPORTANT RENEWAL INFORMATION REGARDING YOUR UTAH CONTRACTOR'S LICENSE

Dear Utah Contractor:

During the 2010 and 2011 legislative sessions, lawmakers changed provisions that will affect the renewal of your Utah Contractor's License when it expires on November 30, 2011. In order to ensure a timely renewal of your license, please be aware of the following:

#### **Continuing Education (CE) Requirements**

Beginning with the current license renewal cycle, you must select CE courses approved and displayed on the Division of Occupational and Professional Licensing ("DOPL") online registry. CE courses not displayed on DOPL's online registry will NOT receive credit. Contractors must complete six (6) hours of continuing education, three (3) of which must be "Core" courses and the other three (3) may be either "Professional" or "Core" courses. Following completion of a course, CE Providers will upload attendance lists automatically to DOPL's online registry.

DOPL's online registry indicates you have taken the following CE hours: <varies by licensee.>

Renewal will not be permitted until CE is completed and uploaded to the registry. To view a list of approved courses and/or to check your completed CE hours, go to <a href="http://www.utah.gov/ce-public">http://www.utah.gov/ce-public</a>.

If you are also a licensed Electrician, Plumber, and/or Elevator Mechanic, CE credit may count toward those individual licenses, in addition to your contractor's license, if the course is approved for each license. To ensure proper credit, **PROVIDE ALL LICENSE NUMBERS to your CE Provider!** 

#### **Liability Insurance Coverage**

All contractors must carry continuous liability insurance. On your renewal form, you must report the name of your insurance provider, the policy number, the expiration date, and the aggregate liability coverage which must be in excess of \$300,000.

#### **Workers' Compensation Insurance Coverage**

Contractors must carry workers' compensation insurance for all employees and certain owner-workers (see "Owner-Worker Classification" below). On your renewal form, you must report the name of your workers' compensation insurance provider, the policy number, and the expiration date.

If you are exempt from this requirement, you must verify that you do not hire employees and that you do not have owner-workers who own less than eight percent of the company who are actively engaged in construction activities.

#### **Owner-Worker Classification**

Utah law now requires that certain contractors provide additional information when applying for a license. Entities other than corporations or publicly traded companies that have owners who (1) own less than eight percent of the licensed entity; and who (2) actively engage in the construction activities on

behalf of the licensed contractor entity; must provide additional reporting to DOPL and must assure that such owner-workers are covered by workers' compensation insurance and unemployment insurance.

#### **Initial Owner-Worker Report**

All contractors, other than corporations or publicly traded companies, that have owners who (1) own less than eight percent of the licensed entity; and who (2) actively engage in the construction activities on behalf of the licensed contractor entity; must file the initial quarterly report on or before July 1, 2011. The forms for filing this report are available at <a href="www.dopl.utah.gov">www.dopl.utah.gov</a> (see "Contractor Application Forms"-Appendixes E, F, and G).

The report must include a listing of each owner who holds less than eight percent of the company and who is actively involved in construction activities. Each owner-worker listed must demonstrate financial responsibility by answering a questionnaire and providing a credit report. The owner-worker must also demonstrate lawful presence in the United States by providing a valid social security number and valid driver's license or state ID card. If the owner-worker does not have a valid driver's license or state ID card, he or she must provide other documents showing lawful presence.

The contractor must also verify that each owner-worker is covered by workers' compensation insurance and unemployment insurance by providing (1) the workers' compensation insurance certificate, which includes coverage on the owner-workers; and (2) a copy of the last quarterly wage report submitted to the Department of Workforce Services, which includes wages paid to owner-workers that are subject to unemployment insurance coverage.

### **Quarterly Reports**

After filing the initial report, each contractor required to report as specified above, must file a quarterly report with DOPL. Contractors cannot renew a license if the required quarterly owner-worker reports have not been filed. The forms for filing these reports are available at <a href="www.dopl.utah.gov">www.dopl.utah.gov</a> (see "Contractor Application Forms" - Appendixes E, F, and G).

The quarterly report must identify any new owner-workers as well as any owner-workers no longer involved in the company. Each new owner-worker listed must demonstrate financial responsibility by answering a questionnaire and providing a credit report. The owner-worker must also demonstrate lawful presence in the United States by providing a valid social security number and valid driver's license or state ID card. If the owner-worker does not have a valid driver's license or state ID card, he or she must provide other documents showing lawful presence.

The contractor must also verify that each owner-worker is covered by workers' compensation insurance and unemployment insurance by providing (1) the workers' compensation insurance certificate, which includes coverage on the owner-workers; and (2) a copy of the last quarterly wage report submitted to the Department of Workforce Services, which includes the wages paid to owner-workers that are subject to unemployment insurance coverage.

DOPL's goal is to ensure that all contractors are aware of these new requirements before they renew their licenses. This letter will provide you time to become familiar with and comply with each of the requirements explained here.

Thank you for your attention to these important matters.

Sincerely

Mark Steinagel, Director